

HOUSE BILL No. 1877

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-3; IC 6-3-8-5; IC 6-3.5.

Synopsis: Education income tax credits. Provides income tax credits related to elementary and secondary education for the following expenditures: (1) Charitable contributions to foundations that provide tuition scholarships for nonpublic schools and home school students. (2) Donations to public schools for certain academic purposes. (3) Expenditures for dependents who attend nonpublic schools. (4) Expenditures for the home schooling of dependents. (5) Expenditures for out of school education of dependents who attend public schools. Phases in the amount of each type of credit over a three year period.

Effective: January 1, 1999 (retroactive).

Kruse, Turner

January 26, 1999, read first time and referred to Committee on Ways and Means.



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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1877

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3-3-5.2 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 1999 (RETROACTIVE)]:

4 **Sec. 5.2. (a) As used in this section, "dependent" has the**
5 **meaning set forth in Section 151(c)(1)(B) of the Internal Revenue**
6 **Code.**

7 **(b) As used in this section, "qualified nonpublic school" means**
8 **a nonpublic school (as defined in IC 20-10.1-1-3) that:**

9 **(1) is an elementary or secondary school;**

10 **(2) does not discriminate on the basis of race, gender, color,**
11 **familial status, or national origin; and**

12 **(3) agrees to accept students who receive scholarships from a**
13 **school scholarship organization.**

14 **(c) As used in this section, "qualified home school expense"**
15 **means an expense for academic instruction, including instructional**
16 **materials, in the core curriculum areas of language arts,**
17 **mathematics, science, social studies, or foreign language.**

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(d) As used in this section, "qualified nonpublic school expense" means an expense for:

- (1) tuition;
- (2) academic instruction, including instructional materials, in the core curriculum areas of language arts, mathematics, science, social studies, or foreign language; or
- (3) school transportation.

(e) As used in this section, "school scholarship organization" means a charitable organization in Indiana that meets the following requirements:

(1) Is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code.

(2) Allocates at least ninety percent (90%) of its annual revenue for scholarships for one (1) or more of the following purposes:

(A) To pay qualified nonpublic school expenses of students who attend qualified nonpublic schools.

(B) To pay qualified home school expenses of students who are:

- (i) eligible for enrollment in a public school in kindergarten through grade 12;
- (ii) not enrolled in a school (public or nonpublic); and
- (iii) excused under IC 20-8.1-3-34 from compulsory school attendance.

(3) Provides scholarships for more than one (1) nonpublic school or home school family unrelated by blood or marriage.

(4) Files an annual financial report with the department of education (established by IC 20-1-1.1-2) that:

(A) the department of education makes available to the public free of charge; and

(B) contains the following information:

(i) The total dollar amount of donations the school scholarship organization received during the preceding year.

(ii) The total dollar amount the school scholarship organization awarded in scholarships to individuals during the preceding year.

(iii) Qualifications, if any, that the school scholarship organization requires for an individual to be awarded a scholarship, including grade level and family income qualifications.

(f) At the election of the taxpayer, there shall be allowed, as a



credit against the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, an amount (subject to the applicable limitations provided by this section) equal to the aggregate amount of charitable contributions:

(1) made by the taxpayer during the year to a school scholarship organization; and

(2) not designated by the taxpayer to be used for the direct benefit of a dependent of the taxpayer.

(g) In the case of a taxpayer other than a corporation, the amount allowable as a credit under this section for any taxable year may not exceed five hundred dollars (\$500) in the case of a single return or one thousand dollars (\$1,000) in the case of a joint return.

(h) In the case of a corporation, the amount allowable as a credit under this section for any taxable year may not exceed:

(1) ten percent (10%) of the corporation's total adjusted gross income tax under IC 6-3-1 through IC 6-3-7 for the year (as determined without regard to any credits against that tax); or

(2) five hundred dollars (\$500);

whichever is less.

(i) The credit allowed by this section may not exceed the amount of the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, reduced by the sum of all credits (as determined without regard to this section) allowed by IC 6-3-1 through IC 6-3-7.

(j) Any taxpayer subject to an income tax under the provisions of IC 6-2.1, as well as under the provisions of IC 6-3-1 through IC 6-3-7, may elect to claim the credit allowed by this section against the income tax imposed by IC 6-2.1, but in no event may a credit be claimed against both such taxes.

(k) For purposes of IC 1-1-1-8, if this section is held invalid, sections 5.3 through 5.6 of this chapter are also void.

SECTION 2. IC 6-3-3-5.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]: **Sec. 5.3.** (a) As used in this section, "dependent" has the meaning set forth in Section 151(c)(1)(B) of the Internal Revenue Code.

(b) As used in this section, "public school" has the meaning set forth in IC 20-10.1-1-2.

(c) As used in this section, "qualified school expense" means expenses for academic instruction as determined by a majority of the teaching staff of a school:



(1) including instructional materials in the core curriculum areas of language arts, mathematics, science, social studies, or foreign language; and

(2) excluding teacher salaries.

(d) At the election of the taxpayer, there shall be allowed, as a credit against the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, an amount (subject to the applicable limitations provided by this section) equal to the aggregate amount of charitable contributions:

(1) made by the taxpayer during the year to a public school;

(2) designated by the taxpayer for use for a qualified school expense; and

(3) not designated by the taxpayer to be used for the direct benefit of a dependent of the taxpayer.

(e) In the case of a taxpayer other than a corporation, the amount allowable as a credit under this section for any taxable year may not exceed one hundred dollars (\$100) in the case of a single return or two hundred dollars (\$200) in the case of a joint return.

(f) In the case of a corporation, the amount allowable as a credit under this section for any taxable year may not exceed:

(1) ten percent (10%) of the corporation's total adjusted gross income tax under IC 6-3-1 through IC 6-3-7 for the year (as determined without regard to any credits against that tax); or

(2) one hundred dollars (\$100);

whichever is less.

(g) The credit allowed by this section may not exceed the amount of the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, reduced by the sum of all credits (as determined without regard to this section) allowed by IC 6-3-1 through IC 6-3-7.

(h) Any taxpayer subject to an income tax under the provisions of IC 6-2.1, as well as under the provisions of IC 6-3-1 through IC 6-3-7, may elect to claim the credit allowed by this section against the income tax imposed by IC 6-2.1, but in no event may a credit be claimed against both such taxes.

(i) For purposes of IC 1-1-1-8, if this section is held invalid, sections 5.2 and 5.4 through 5.6 of this chapter are also void.

SECTION 3. IC 6-3-3-5.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]: **Sec. 5.4. (a)** As used in this section, "dependent" has the meaning set forth in Section



1 151(c)(1)(B) of the Internal Revenue Code.

2 (b) As used in this chapter, "nonpublic school" has the meaning
3 set forth in IC 20-10.1-1-3.

4 (c) As used in this chapter, "qualified education expense" means
5 an expenditure for one (1) or more of the following incurred by a
6 taxpayer and paid to others for a dependent who is enrolled in a
7 nonpublic school:

8 (1) Tuition.

9 (2) Academic instruction, including instructional materials, in
10 the core curriculum areas of language arts, mathematics,
11 science, social studies, or foreign language.

12 (3) School transportation.

13 (d) As used in this chapter, "taxpayer" means an individual who
14 has any adjusted gross income tax liability.

15 (e) At the election of the taxpayer, there shall be allowed, as a
16 credit against the adjusted gross income tax imposed by IC 6-3-1
17 through IC 6-3-7 for the taxable year, an amount (subject to the
18 applicable limitations provided by this section) equal to the
19 aggregate amount of qualified education expense incurred by a
20 taxpayer for a dependent of the taxpayer who is:

21 (1) enrolled in a nonpublic school;

22 (2) not a recipient of a scholarship from a school scholarship
23 organization (as defined in section 5.2(e) of this chapter; and

24 (3) not claimed for a credit under section 5.5 of this chapter.

25 (f) In the case of a taxpayer other than a corporation, the
26 amount allowable as a credit under this section for any taxable
27 year may not exceed one thousand dollars (\$1,000) for each
28 dependent described in subsection (e) in the case of a single return
29 or a joint return.

30 (g) A corporation may not receive a credit under this section for
31 any taxable year.

32 (h) The credit allowed by this section may not exceed the
33 amount of the adjusted gross income tax imposed by IC 6-3-1
34 through IC 6-3-7 for the taxable year, reduced by the sum of all
35 credits (as determined without regard to this section) allowed by
36 IC 6-3-1 through IC 6-3-7.

37 (i) Any taxpayer who is not a corporation and is subject to an
38 income tax under the provisions of IC 6-2.1, as well as under the
39 provisions of IC 6-3-1 through IC 6-3-7, may elect to claim the
40 credit allowed by this section against the income tax imposed by
41 IC 6-2.1, but in no event may a credit be claimed against both such
42 taxes.



(j) For purposes of IC 1-1-1-8, if this section is held invalid, sections 5.2 through 5.3 and 5.5 through 5.6 of this chapter are also void.

SECTION 4. IC 6-3-3-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]: **Sec. 5.5. (a) As used in this section, "dependent" has the meaning set forth in Section 151(c)(1)(B) of the Internal Revenue Code.**

(b) As used in this section, "qualified education expense" means expenses for academic instruction, including instructional materials, in the core curriculum areas of language arts, mathematics, science, social studies, or foreign language.

(c) At the election of the taxpayer, there shall be allowed, as a credit against the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, an amount (subject to the applicable limitations provided by this section) equal to the aggregate amount of qualified education expense incurred by a taxpayer for a dependent of the taxpayer who is:

- (1) eligible for enrollment in a public school in kindergarten through grade 12;
- (2) not enrolled in a school (public or nonpublic);
- (3) excused under IC 20-8.1-3-34 from compulsory school attendance;
- (4) not a recipient of a scholarship from a school scholarship organization (as defined in section 5.2(e) of this chapter); and
- (5) not claimed for a credit under section 5.4 of this chapter.

(d) In the case of a taxpayer other than a corporation, the amount allowable as a credit under this section for any taxable year may not exceed one thousand dollars (\$1,000) for each dependent described in subsection (c) in the case of a single return or a joint return.

(e) A corporation may not receive a credit under this section for any taxable year.

(f) The credit allowed by this section may not exceed the amount of the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, reduced by the sum of all credits (as determined without regard to this section) allowed by IC 6-3-1 through IC 6-3-7.

(g) Any taxpayer who is not a corporation and who is subject to an income tax under the provisions of IC 6-2.1, as well as under the provisions of IC 6-3-1 through IC 6-3-7, may elect to claim the credit allowed by this section against the income tax imposed by



1 IC 6-2.1, but in no event may a credit be claimed against both such
2 taxes.

3 (h) For purposes of IC 1-1-1-8, if this section is held invalid,
4 sections 5.2 through 5.4 and 5.6 of this chapter are also void.

5 SECTION 5. IC 6-3-3-5.6 IS ADDED TO THE INDIANA CODE
6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
7 JANUARY 1, 1999 (RETROACTIVE)]: Sec. 5.6 (a) As used in this
8 chapter, "dependent" has the meaning set forth in Section
9 151(c)(1)(B) of the Internal Revenue Code.

10 (b) As used in this chapter, "public school" has the meaning set
11 forth in IC 20-10.1-1-2.

12 (c) As used in this chapter, "qualified education expense" means
13 an expense for academic instruction incurred by a taxpayer for a
14 dependent who is enrolled in a public school for a grade from
15 kindergarten through grade 12. The academic instruction must be:

16 (1) in grade or age appropriate curricula outside a regular
17 school year or school day; and

18 (2) in the core curriculum areas of language arts,
19 mathematics, science, or social studies.

20 (d) As used in this chapter, "taxpayer" means an individual who
21 has any adjusted gross income tax liability.

22 (e) At the election of the taxpayer, there shall be allowed, as a
23 credit against the adjusted gross income tax imposed by IC 6-3-1
24 through IC 6-3-7 for the taxable year, an amount (subject to the
25 applicable limitations provided by this section) equal to the
26 aggregate amount of qualified education expense incurred by a
27 taxpayer for a dependent of the taxpayer who is enrolled in a
28 public school for a grade from kindergarten through grade 12.

29 (f) In the case of a taxpayer other than a corporation, the
30 amount allowable as a credit under this section for any taxable
31 year may not exceed five hundred dollars (\$500) for each
32 dependent in the case of a single return or a joint return.

33 (g) A corporation may not receive a credit under this section for
34 any taxable year.

35 (h) The credit allowed by this section may not exceed the
36 amount of the adjusted gross income tax imposed by IC 6-3-1
37 through IC 6-3-7 for the taxable year, reduced by the sum of all
38 credits (as determined without regard to this section) allowed by
39 IC 6-3-1 through IC 6-3-7.

40 (i) A taxpayer who is not a corporation and is subject to an
41 income tax under the provisions of IC 6-2.1, as well as under the
42 provisions of IC 6-3-1 through IC 6-3-7, may elect to claim the



1 credit allowed by this section against the income tax imposed by
 2 IC 6-2.1, but in no event may a credit be claimed against both such
 3 taxes.

4 (j) For purposes of IC 1-1-1-8, if this section is held invalid,
 5 sections 5.2 through 5.5 of this chapter are also void.

6 SECTION 6. IC 6-3-8-5 IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]: Sec. 5. All of
 8 the provisions of IC 6-3-1 through IC 6-3-7 apply to the imposition,
 9 collection, payment, and administration of the supplemental net income
 10 tax in the same manner as such provisions apply to the imposition,
 11 collection, payment, and administration of the tax imposed by IC 6-3-2,
 12 and any reference to "tax" or "adjusted gross income tax" shall also
 13 mean and include the supplemental net income tax to the extent
 14 necessary to harmonize and coordinate the imposition of the adjusted
 15 gross income tax and the supplemental net income tax, except that the
 16 provisions of IC 6-3-3-2, and IC 6-3-3-5, **IC 6-3-3-5.2, IC 6-3-3-5.3,**
 17 **IC 6-3-3-5.4, IC 6-3-3-5.5, and IC 6-3-3-5.6** providing for certain
 18 credits shall not be applicable to the supplemental net income tax
 19 imposed by this section, and the provisions of IC IC 6-3-2-2.8(3) and
 20 ~~(4)~~ **IC 6-3-2-2.8(4)** shall not apply to any organization included in the
 21 definition of "corporation" as set forth in section 2(a) of this chapter,
 22 and the provisions of IC 6-3-2-2 shall not apply to the allocation or
 23 apportionment of the net income of domestic insurance companies.

24 SECTION 7. IC 6-3.5-1.1-18 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]:
 26 Sec. 18. (a) Except as otherwise provided in this chapter, all provisions
 27 of the adjusted gross income tax law (IC 6-3) concerning:

- 28 (1) definitions;
- 29 (2) declarations of estimated tax;
- 30 (3) filing of returns;
- 31 (4) remittances;
- 32 (5) incorporation of the provisions of the Internal Revenue Code;
- 33 (6) penalties and interest;
- 34 (7) exclusion of military pay credits for withholding; and
- 35 (8) exemptions and deductions;

36 apply to the imposition, collection, and administration of the tax
 37 imposed by this chapter.

38 (b) The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5,
 39 **IC 6-3-3-5.2, IC 6-3-3-5.3, IC 6-3-3-5.4, IC 6-3-3-5.5, IC 6-3-3-5.6,**
 40 and IC 6-3-5-1 do not apply to the tax imposed by this chapter.

41 (c) Notwithstanding subsections (a) and (b), each employer shall
 42 report to the department the amount of withholdings attributable to



each county. This report shall be submitted annually along with the employer's annual withholding report.

SECTION 8. IC 6-3.5-6-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]:
Sec. 22. (a) Except as otherwise provided in subsection (b) and the other provisions of this chapter, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

- (1) definitions;
- (2) declarations of estimated tax;
- (3) filing of returns;
- (4) deductions or exemptions from adjusted gross income;
- (5) remittances;
- (6) incorporation of the provisions of the Internal Revenue Code;
- (7) penalties and interest; and
- (8) exclusion of military pay credits for withholding;

apply to the imposition, collection, and administration of the tax imposed by this chapter.

(b) The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, **IC 6-3-3-5.2, IC 6-3-3-5.3, IC 6-3-3-5.4, IC 6-3-3-5.5, IC 6-3-3-5.6,** and IC 6-3-5-1 do not apply to the tax imposed by this chapter.

(c) Notwithstanding subsections (a) and (b), each employer shall report to the department the amount of withholdings attributable to each county. This report shall be submitted along with the employer's other withholding report.

SECTION 9. IC 6-3.5-7-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]:
Sec. 18. (a) Except as otherwise provided in this chapter, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

- (1) definitions;
- (2) declarations of estimated tax;
- (3) filing of returns;
- (4) remittances;
- (5) incorporation of the provisions of the Internal Revenue Code;
- (6) penalties and interest;
- (7) exclusion of military pay credits for withholding; and
- (8) exemptions and deductions;

apply to the imposition, collection, and administration of the tax imposed by this chapter.

(b) The provisions of ~~IC~~ IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, **IC 6-3-3-5.2, IC 6-3-3-5.3, IC 6-3-3-5.4, IC 6-3-3-5.5, IC 6-3-3-5.6,** and IC 6-3-5-1 do not apply to the tax imposed by this chapter.

(c) Notwithstanding subsections (a) and (b), each employer shall



report to the department the amount of withholdings attributable to each county. This report shall be submitted annually along with the employer's annual withholding report.

SECTION 10. [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)] IC 6-3-3-5.2, IC 6-3-3-5.3, IC 6-3-3-5.4, IC 6-3-3-5.5, and IC 6-3-3-5.6, all as added by this act, apply only to taxable years beginning after December 31, 1998.

SECTION 11. [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)] (a) Notwithstanding IC 6-3-3-5.2, as added by this act:

(1) in the case of a taxpayer other than a corporation, the amount allowable as a credit under IC 6-3-3-5.2, as added by this act, for a taxable year beginning after December 31, 1998, and ending December 31, 1999, may not exceed two hundred dollars (\$200) in the case of a single return or four hundred dollars (\$400) in the case of a joint return;

(2) in the case of a taxpayer other than a corporation, the amount allowable as a credit under IC 6-3-3-5.2, as added by this act, for a taxable year beginning after December 31, 1999, and ending December 31, 2000, may not exceed three hundred dollars (\$300) in the case of a single return or six hundred dollars (\$600) in the case of a joint return;

(3) in the case of a corporation, the amount allowable as a credit under IC 6-3-3-5.2, as added by this act, for a taxable year beginning after December 31, 1998, and ending December 31, 1999, may not exceed:

(A) ten percent (10%) of the corporation's total adjusted gross income tax under IC 6-3-1 through IC 6-3-7 for the year (as determined without regard to any credits against that tax); or

(B) two hundred dollars (\$200);

whichever is less; and

(4) in the case of a corporation, the amount allowable as a credit under IC 6-3-3-5.2, as added by this act, for a taxable year beginning after December 31, 1999, and ending December 31, 2000, may not exceed:

(A) ten percent (10%) of the corporation's total adjusted gross income tax under IC 6-3-1 through IC 6-3-7 for the year (as determined without regard to any credits against that tax); or

(B) three hundred dollars (\$300);

whichever is less.



(b) This SECTION expires January 1, 2001.

SECTION 12. [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)] (a) Notwithstanding IC 6-3-3-5.3, as added by this act:

(1) in the case of a taxpayer other than a corporation, the amount allowable as a credit under IC 6-3-3-5.3, as added by this act, for a taxable year beginning after December 31, 1998, and ending December 31, 1999, may not exceed fifty dollars (\$50) in the case of a single return or one hundred dollars (\$100) in the case of a joint return;

(2) in the case of a taxpayer other than a corporation, the amount allowable as a credit under IC 6-3-3-5.3, as added by this act, for a taxable year beginning after December 31, 1999, and ending December 31, 2000, may not exceed seventy-five dollars (\$75) in the case of a single return or one hundred fifty dollars (\$150) in the case of a joint return;

(3) in the case of a corporation, the amount allowable as a credit under IC 6-3-3-5.3, as added by this act, for a taxable year beginning after December 31, 1998, and ending December 31, 1999, may not exceed:

(A) ten percent (10%) of the corporation's total adjusted gross income tax under IC 6-3-1 through IC 6-3-7 for the year (as determined without regard to any credits against that tax); or

(B) fifty dollars (\$50);

whichever is less; and

(4) in the case of a corporation, the amount allowable as a credit under IC 6-3-3-5.3, as added by this act, for a taxable year beginning after December 31, 1999, and ending December 31, 2000, may not exceed:

(A) ten percent (10%) of the corporation's total adjusted gross income tax under IC 6-3-1 through IC 6-3-7 for the year (as determined without regard to any credits against that tax); or

(B) seventy-five dollars (\$75);

whichever is less.

(b) This SECTION expires January 1, 2001.

SECTION 13. [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)] (a) Notwithstanding IC 6-3-3-5.4, as added by this act:

(1) in the case of a taxpayer other than a corporation, the amount allowable as a credit under IC 6-3-3-5.4, as added by



1 this act, for a taxable year beginning after December 31, 1998,
 2 and ending December 31, 1999, may not exceed four hundred
 3 dollars (\$400) for each dependent in the case of a single return
 4 or in the case of a joint return; and

5 (2) in the case of a taxpayer other than a corporation, the
 6 amount allowable as a credit under IC 6-3-3-5.4, as added by
 7 this act, for a taxable year beginning after December 31, 1999,
 8 and ending December 31, 2000, may not exceed seven hundred
 9 dollars (\$700) for each dependent in the case of a single return
 10 or in the case of a joint return.

11 (b) This SECTION expires January 1, 2001.

12 SECTION 14. [EFFECTIVE JANUARY 1, 1999
 13 (RETROACTIVE)] (a) Notwithstanding IC 6-3-3-5.5, as added by
 14 this act:

15 (1) in the case of a taxpayer other than a corporation, the
 16 amount allowable as a credit under IC 6-3-3-5.5, as added by
 17 this act, for a taxable year beginning after December 31, 1998,
 18 and ending December 31, 1999, may not exceed four hundred
 19 dollars (\$400) for each dependent in the case of a single return
 20 or in the case of a joint return; and

21 (2) in the case of a taxpayer other than a corporation, the
 22 amount allowable as a credit under IC 6-3-3-5.5, as added by
 23 this act, for a taxable year beginning after December 31, 1999,
 24 and ending December 31, 2000, may not exceed seven hundred
 25 dollars (\$700) for each dependent in the case of a single return
 26 or in the case of a joint return.

27 (b) This SECTION expires January 1, 2001.

28 SECTION 15. [EFFECTIVE JANUARY 1, 1999
 29 (RETROACTIVE)] (a) Notwithstanding IC 6-3-3-5.6, as added by
 30 this act:

31 (1) in the case of a taxpayer other than a corporation, the
 32 amount allowable as a credit under IC 6-3-3-5.6, as added by
 33 this act, for a taxable year beginning after December 31, 1998,
 34 and ending December 31, 1999, may not exceed one hundred
 35 fifty dollars (\$150) for each dependent in the case of a single
 36 return or in the case of a joint return; and

37 (2) in the case of a taxpayer other than a corporation, the
 38 amount allowable as a credit under IC 6-3-3-5.6, as added by
 39 this act, for a taxable year beginning after December 31, 1999,
 40 and ending December 31, 2000, may not exceed three hundred
 41 fifty dollars (\$350) for each dependent in the case of a single
 42 return or in the case of a joint return.



1 **(b) This SECTION expires January 1, 2001.**
2 SECTION 16. An emergency is declared for this act.

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